



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 4, 2013

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From: William T Fujioka
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Mitchell H. Katz, M.D.
Director, Department of Health Services

HEALTH CARE REFORM IMPLEMENTATION TASK FORCE UPDATE

This is to provide the Board with a report of progress made by the Department of Health Services (DHS)/Chief Executive Office (CEO) Health Care Reform Implementation Task Force (Task Force).

On December 10, 2012, my office informed your Board that the CEO and Director of Health Services would create a Task Force for Health Reform to focus coordination among the five County departments whose services are vital to the successful implementation of health reform within Los Angeles County. We are now providing you with the achievements of the Task Force and stakeholder departments since our last report of September 6, 2013.

DEPARTMENT OF HEALTH SERVICES (DHS)

The Internal Physician Registry (Registry) continues to receive viable applications from physicians interested in working with DHS on an as needed basis. Since our last report, some additional Relief Physician, M.D. applicants have been selected and are completing the credentialing and privileging process that is an essential element of their appointment.

During seven of the last eight months of Fiscal Year 2012-13, LAC+USC Medical Center progressively realized an overall reduction of 9.2 percent in their nursing registry expenditures. Since November 2012, LAC+USC has hired 34 new Registered Nurses (RN) in the entry level RN I classification and has eliminated a corresponding number of registry staff. The Streamlined Hiring Process (implemented March 1, 2013) and the Nurse Ready List (implemented June 1, 2013) have contributed to this achievement. The Internal Nursing Registry pilot program is attracting applicants; however, the majority are recent RN program graduates with minimal experience. Although some candidates have been selected for appointment, it is recognized that they will require focused training prior to receiving independent assignments. Historically, the highest registry utilization has been in specialty care areas that require focused experience (e.g. Intensive Care Unit and Emergency Room). To meet this need, DHS Human Resources has been asked to develop a new civil service examination for Relief Nurse, R.N. that will require a minimum of one year of specialized experience.

As it relates to Managed Care Services, the Director of the Managed Care Services organization (previously known as the Office of Managed Care) submitted the job descriptions for the newly proposed Business Development office to the CEO's Classification/Compensation unit. Following their review, the CEO Classification/Compensation has provided DHS with a final allocation report. DHS Human Resources will identify potential recruitment resources pending the Board's approval of this reorganization.

The Board Deputies will be updated on the reorganization of Managed Care Services at the Operations Cluster meeting on October 17, 2013. This presentation will include a review of the Business Development Office.

As of August 30, 2013, there were 271,997 members enrolled in Healthy Way L.A.; this represents 90.6 percent of the DHS goal for 300,000 enrolled members. The Department is confident that it will meet or exceed the target membership.

DHS has made significant progress in developing contractual relationships with external health agencies. Recognizing that DHS is not currently in the network of either HealthNet or CareFirst, DHS Contract Administration staff recently attended a Covered California meeting with various qualified health plans to discuss the inclusion of essential community providers. The Board letter to contract with HealthNet has recently been finalized and is scheduled for presentation to the Board of Supervisors on October 8, 2013. Also on October 8, 2013, DHS Contracts Administration is meeting with CareFirst to explore contract opportunities with that provider. The contract with HCLA/MedPoint is progressing on schedule.

In April 2012, DHS released a Request for Statement of Qualifications (RFSQ) for Supportive Housing Services in order to improve contracting efficiency and establish a group of agencies qualified to provide Intensive Case Management Services (ICMS) and Property-Related Tenant Services (PRTS) for DHS supportive housing projects. To date there are 25 agencies on the Master Agreement list. The RFSQ remains open so that agencies can continue to apply; DHS is currently reviewing 5 recent submissions.

Highlights of the DHS Housing for Health (HFH) program include:

- Completion of the Neighborhood Stabilization Project (NSP) in South Los Angeles resulting in transfer of ownership of 18 newly renovated housing sites that will house approximately 90 people.
- Successful utilization of a pool of tenant-based vouchers allocated to DHS through the Home for Good Funders Collaborative resulting in approximately 110 DHS clients housed throughout the County of Los Angeles.
- Partnership with Skid Row Housing Trust on the new Star Apartments scheduled to open in the fall of 2013. The 100 unit new construction supportive housing site will receive 100 percent of its referrals from DHS. DHS will open a small primary health care clinic on the ground floor of the site and have space to house HFH's administrative staff.
- Planning for the development and implementation of a new 120 bed Recuperative Care program to be located in the MLK Interns and Residents building.
- Leveraged private funding, including a \$500,000 grant from UniHealth Foundation, to accomplish the build-out of the HFH Health Clinic; \$750,000 grant from the Hilton Foundation to be used for the Star Apartments; obtained in-kind design services from Gensler; and secured tenant move-in assistance from the Home for Good Funders Collaborative.
- Leveraged public funding, including \$12 million in NSP properties that were purchased and renovated using American Recovery and Reinvestment Act funding (ARRA) facilitated by our partners at City of Los Angeles Housing Department.
- Development and early implementation of the Flexible Housing Subsidy Pool (FHSP). This pool of funds will provide a new method of subsidizing housing for HFH's target population that will draw upon a wide array of available housing types throughout LA County and has the potential to significantly scale up our efforts to end homelessness in Los Angeles County.

Two additional facilities have been activated on the new DHS telephone system: Wilmington Health Center (September 12, 2013) and El Monte Comprehensive Health Care Center (October 1, 2013). Although Bellflower Health Center was expected to be active by mid-September 2013, further delay is associated with conversion to the new carrier for Bellflower and San Fernando Health Centers (HC); DHS is waiting for the new

carrier to provide a port date for activation. Vaughn School Based Clinic has been removed from the telephone activation list pending a determination of its viability. The remaining five (5) facilities [Humphrey Comprehensive Health Center (CHC), La Puente HC, Glendale HC, Hudson CHC and Dollarhide HC] are scheduled go "live" by October 24, 2013.

FIRE DEPARTMENT

The State Department of Health Care Services (DHCS) has revised the criteria to claim funds through the Ground Emergency Medical Transportation (GEMT) program. DHCS now requires the implementation of a First Response Fee which would need to be billed by the Fire Department. This fee is already being assessed by other city and county fire departments, including Sacramento, West Covina, and Novato. The fee can be as high as \$385.00 and, although denied by Medi-Cal, is being paid by commercial carriers.

The Fire Department is in the process of developing a fee structure which will be presented for Board approval by the end of this calendar year. The Fire Department will be required to serve as the "biller" for the First Response Fee and a Medi-Cal provider number will also be required. Other municipal and county Fire Departments with this process already in place will have the opportunity to claim funds retroactive to July 1, 2013.

Another substantial clarification is that the Ground Emergency Medical Transport (GEMT) will only apply to Medi-Cal fee for service. With the high penetration of managed care in LA County, this will have a significant financial impact on the potential revenue available under the GEMT program. Newly proposed legislation would change the program to include Managed Care, but that is not likely to be resolved before the end of 2013.

DHS Emergency Medical Services (EMS) has requested payer mix information from the ambulance companies to assess the impact if the proposed legislation is unsuccessful.

DEPARTMENT OF MENTAL HEALTH (DMH)

DMH has made the following progress on their strategy to implement behavioral health homes and develop healthy neighborhoods throughout Los Angeles County:

- In partnership with DHS, DMH has initiated a pilot on the campus of MLK-MACC and Augustus F. Hawkins Mental Health Center.
- A Board letter is in preparation to establish a partnership with a Federally Qualified Health Center (FQHC) and Rio Hondo Mental Health Center.
- Work is in progress with children's providers to integrate them into the "health neighborhoods" established for adult providers via Healthy Way LA. Children's mental health agencies are being surveyed to identify existing collaborations and

will be further discussed in a providers' meeting on October 31, 2013. Providers without existing operational agreements will be matched with medical providers and adult mental health providers to expand the neighborhood.

- DMH is communicating with WIC programs that have requested participation/integration into the geographic provider constellations.
- MHSA Innovations Programs have identified FQHCs that are currently partnered with mental health and substance abuse providers. Several models are being piloted and evaluated including Integrated Mobile Health Teams, Integrated Service Models (which are focused on underrepresented populations), and Integrated Clinic Models). Based on the success of these models, they may be expanded.

DMH has identified job classifications for implementation of the proposed care transition teams; the position information has been included in their budget request. CEO Budget and Classification/Compensation will review the request to determine appropriateness of the request, and to consider granting hiring authority by using ordinance items in advance of the approved budget.

DEPARTMENTAL OF PUBLIC SOCIAL SERVICES (DPSS)

The Task Force will continue to work with DPSS on contemporary issues associated with the Affordable Care Act (ACA) as they are identified, particularly as those dimensions relate to enhancing membership enrollment into the Medicaid Expansion provision of ACA.

DEPARTMENT OF PUBLIC HEALTH (DPH)

DPH continues to realize progress relating to billing improvements for their clinic-based services:

- A Business Associate Agreement is scheduled for presentation to the Board on November 12, 2013, which will allow DPH to obtain consultation and technical assistance from Cardea Services to enhance billing for the 14 public health centers;
- Meetings have continued with Sutherland (DPH's clearinghouse) to identify process improvements to ensure adequate billing;
- To enhance effective billing, Health Management Information Systems (HMIS) is modifying the patient encounter form to reflect the ICD-10 code revisions;
- DPH has established a departmental goal to ensure the implementation of an electronic billing system capable of effectively billing for Community Health Services for all 14 public health centers.

Each Supervisor
October 4, 2013
Page 6

SHERIFF'S DEPARTMENT (LASD)

LASD continues to pursue the proposal that Custody Assistants be engaged to initiate the Medicaid benefit enrollment process for inmates pending release. Pending legislation (AB 720) that would no longer require mandatory enrollment within 72 hours is being reviewed by Governor Brown. LASD continues to meet with DHS and DPSS to review additional revenue opportunities that may be afforded by the ACA.

LASD has consulted with County Counsel to determine their ability to pursue claiming for Targeted Care Management and Transportation Services; a further meeting is pending with the LGA-MAA representative for Los Angeles County to discuss next steps in this process. A white paper is being submitted via LASD budget unit for CEO consideration.

A report of the Task Force activities and progress will be presented to your Board on a regular basis.

If you have any questions or require additional information, please contact me, or your staff may contact Gregory Polk at (213) 974-1160 or via e-mail to gpolk@ceo.lacounty.gov.

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